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C O N F I D E N T I A L SECTION 01 OF 03 KINSHASA 000895

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SUBJECT: SENATE PRESIDENT KENGO REVIEWS STATE OF PLAY AT
END OF SESSION

REF: KINSHASA 882

Classified By: PolCouns DBrown, reasons 1.4 b/d

¶1. (C) Summary. Senate President Leon Kengo wa Dondo highlighted decentralization as the most contentious issue facing the Congolese parliament when it returns for its fall session September 15. He expressed skepticism about budget figures which came from the National Assembly. He is in favor of the return of MLC leader Senator Jean-Pierre Bemba to better "control" him, and opposed to treason charges against him. He expressed concern about growing tensions in the east, and related that a Senate delegation would soon be traveling there on a fact-finding mission. His political skills and ambitions will be tested by a challenging fall agenda. End comment.

¶2. (C) Senate President Leon Kengo wa Dondo and the Ambassador reviewed current political issues during a farewell meeting July 23 following the end of the Senate's 30-day special session the previous week. Kengo was energetic and focused as he prepared to depart Kinshasa on vacation. Kengo counselor Baoudouin Elia Ona Moponda and PolCouns sat in.

¶3. (C) The Ambassador congratulated Kengo on the Senate's accomplishments during the session, but noted a substantial remaining agenda of work to be done. Kengo observed that starting from scratch had not been easy, but that the senators had made good progress organizing the chamber and agreeing on a law on the legal status of the political opposition.

¶4. (C) Kengo concurred that the Senate had much to do when it resumed work September 15, citing legislation on decentralization, the judicial system, and a national elections commission and an audio-visual and communications council to replace Transitional predecessors. He highlighted decentralization as complex and contentious, but asserted that it is an essentially technical issue that could become a political problem if not handled effectively. For example, the constitution calls for a 60/40 per cent revenue split between the central government and the provinces. Kengo maintained the 40 per cent should be shared out between the provincial and local governments, but noted that the constitution provides no guidance on how to do so. He also noted that the nature and scope of responsibilities to devolve to the provinces are not yet defined. "There will be many problems if this is not resolved," he said.

¶5. (C) The Ambassador noted that the law will have an impact on local elections and the constitutionally-mandated subdivision of the current 11 provinces. Kengo said that it

must also address how to divide current assets, and asserted any new province created must be economically viable. He said senators had not yet discussed the issue, but he knew that many wanted to begin the process directly. He said there must be consensus within the provinces being subdivided in order to proceed. He noted that Bas-Congo had declined to do so because of its small size, economic viability and existing investments. Southern Katanga could be a viable province now, he claimed, but provincial deputies and national parliamentarians had yet to arrive at consensus, and other parts of Katanga could pose problems.

¶6. (C) Turning to economic issues, both Kengo and the Ambassador concurred that all Congolese parastatals were bankrupt. The Ambassador noted that most could be easily liquidated, while so-called strategic enterprises -- in the mining, electricity, water and some other sectors -- could be competitive if partially privatized in some fashion. This is politically sensitive, the Ambassador noted, but they will not operate well if current practices continue. Kengo stated, "I am in 100 per cent agreement." The state is not a good manager, he said, and should retain no more than a 20-25 per cent maximum share in the companies, receive its dividends and refrain from interfering in operations.

¶7. (C) Regarding the budget, Kengo said "I don't see the five pillars" promised in Kabila's campaign in the law passed by parliament during the special session. He noted however that the electricity and water parastatals had received direct World Bank funding of \$300 million and \$150 million respectively. He cited points of disagreement in the Senate with the National Assembly's numbers, but conceded the lower house would have the last word. He characterized the

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Assembly's budget's projection of receipts as "hypothetical."

¶8. (C) The Ambassador cited the risks of overspending in its effect on the economy as well as on prospects for a new IMF agreement. Kengo said he had recently received a positive report from the central bank governor, indicating a rough match between spending and income, and stable rates of exchange and inflation. He noted, however, that reserves are not satisfactory, currently totalling \$100 million and good for only three weeks of imports.

¶9. (C) The Ambassador inquired about the status of MLC leader Senator Jean-Pierre Bemba. Kengo said that Bemba's authorized leave of absence from the Senate expires July 31. He added he thought Bemba should return to the Congo so that he can "be better controlled." In subsequent conversation, however, Kengo did not appear to feel the issue needed to be rushed. The Ambassador noted that Bemba had written many foreign ministers, including the Secretary, underscoring his commitment to democratic practices. Kengo said Congolese officials had not received similar letters. Kengo noted that EU Commissioner Louis Michel on a recent visit had evoked the possibility of Bemba seeking support from leaders in Libya, Uganda and the Central African Republic, or even renegade FARDC General Laurent Nkunda. The Ambassador expressed doubt that any of these leaders would likely work with Bemba to start a new military conflict; Kengo concurred.

¶10. (C) Kengo noted Bemba's just-published interview in Jeune Afrique magazine, in which he denied responsibility for the March fighting between MLC troops and government forces. Kengo argued against putting Bemba on trial for treason, citing the recently-concluded acquittal of Bemba ally Marie-Therese Nlandu on similar charges. Such a trial, he said, would merely increase Bemba's visibility. Kengo said there is nothing in process to lift Bemba's parliamentary immunity from prosecution. He added that the government prosecutor's request to lift immunity had been addressed to the previous, interim Senate president, who in fact lacked authority for such an action. He (Kengo) has received nothing, and therefore does not consider there to be an

active request pending. In any event, he has no intention of seeking Senate action itself. Kengo added, however that Kabila remains strongly opposed Bemba's return.

¶11. (C) The Ambassador raised the issue of heightened tensions in eastern Congo. He conveyed the USG's continuing interest and involvement in the peace process, citing in particular our role supporting the work of the Tripartite Plus Commission. He expressed strong opposition to any kind of military solution. Kengo agreed. "It would make things worse," he said. He said the current military buildup could cause neighboring countries to do the same. He agreed that tensions are increasing, even among the troops.

¶12. (C) The Ambassador noted that the U.S. is encouraging dialogue among the various communities who live in the region. He stressed the importance of political actions that will reassure all that their rights will be respected. He emphasized that the issues call for engagement at all levels of Congolese politics to attempt to calm the situation. Kengo said that the Senate would be sending a mission to the region at the end of this week, and will consider its report at its fall session.

¶13. (C) Kengo noted that he would be participating later in the day in an "inter-institutional" meeting with President Kabila, Prime Minister Gizenga, the National Assembly President and the head of the Supreme Court (reftel). He expected the Kivu issue, as well as other subjects previously discussed, would be covered at the inter-institutional meeting, and Kengo said he intended to strongly favor political means to resolve the current tensions. Kengo closed by noting that the September parliamentary session will also have to confront pressure from untenable salary promises made to public-sector employees under the so-called Mbudi Agreement concluded by the Transitional Government.

¶14. (C) Comment. Kengo, officially an independent, in fact represents opposition to the Kabila government. Nevertheless, he has done a credible job in reaching out to both government and opposition senators in his leadership of an executive committee almost evenly divided between the two camps. His leadership will be tested by any number of contentious issues on the fall agenda. While he is coy about his political ambitions, Kengo is widely believed to have the

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2011 presidential elections in his sights. His ability to hold together a working consensus in the Senate and develop its institutional weight, particularly in relation to the Presidency and the Assembly, will be essential to bolster his position. End comment.

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